

EXHIBIT A

SCANNED

SEP 17 2012

U.S. DISTRICT COURT ST. PAUL

GSN Item #	Invoice Number	Purchase Date	Gemstone Type	Color	Gemstone Cut	Carat	Purchase Price	GSN Appraisals	Independent Appraisal
105-690409	680409-1	10/17/2009	Ruby	African	Pear	3.04	\$ 7,900.00	\$25,000.00	
105-818909	691255-1	12/8/2009	Ruby	Mozambiq	Oval	2.06	\$ 12,000.00	\$23,950.00	
101-453507	692541-1	12/13/2009	padparad	pink	roval	1.07	\$ 1,400.00		
105-623209	702820-1	2/3/2010	sapphire	yellow	oval	2.48	\$ 350.00		
105-63910	702820-1	2/3/2010	sapphire	yellow	round 2	2.2	\$ 400.00		
105-786709	689829-1	12/2/2009	sapphire	hot pink	cushion	2.02	\$ 400.00		
Total							\$ 22,450.00		

GSN Item #	Invoice Number	Purchase Date	Gemstone Type Topaz	Color	Gemstone Cut	Carat	Purchase Price	GSN Appraisals	Independent Appraisal
196-1153709	694496-1	12/22/2009	Imperial	Peachy	Oval	3.62	\$ 1,050.00		
196-749608	715973-1	4/8/2010		swissblue	portround	15.42	\$ 308.00		
196-258709	715973-1	4/8/2010		skyblue	portround	11.01	\$ 210.00		
196-6408	715973-1	4/8/2010		london blue	cushion	5.66	\$ 113.00		
Total							\$ 1,681.00		

GSN Item #	Invoice Number	Purchase Date	Gemstone/Tanzanite	Color	Gemstone Cut	Carat	Purchase Price	GSN Appraisals	Independent Appraisal
196-974209	681553-1	10/23/2009	Tourmaline	hot pink	Fantasy	13.01	\$ 3,800.00		
196-1032709	694496-1	12/22/2009	Tourmaline	hot pink	2 Fantasy	2.28	\$ 342.00		
196-1154009	694496-1	12/22/2009	Tourmaline	pink	round	5.95	\$ 895.00		
196-1153909	694496-1	12/22/2009	rubellite	hot pink	round	2.21	\$ 660.00		
196-1154209	694496-1	12/22/2009	indicolite	blue	emerald	2.07	\$ 625.00		
196-1154309	694496-1	12/22/2009	Tourmaline	green	fantasy	2.45	\$ 245.00		
196-974309	681553-1	10/23/2009	indicolite	blue	emerald	3.62	\$ 1,200.00		
105-388407	695095-1	12/27/2009	Tourmaline	bicolor	port cush	7.72	\$ 1,350.00		
		12/29/2009	agodi rub	pink	round	2.02	\$ 340.53		
		12/29/2009	agodi rub	pink	round	1.95	\$ 399.00		
105-803409	691255-1	12/8/2009	Tourmaline	raspberry	portround	7.27	\$ 2,500.00		
105-873906	702820-1	2/3/2010	Tourmaline	mintgreen	portoval	4.8	\$ 250.00		
105-119310	702351-1	1/31/2010	paraiba	Nigerian	Oval	3.89	\$ 7,500.00	\$24,550	\$9,725
196-1154109	694496-1	12/22/2009	indicolite	blue	round	1.99	\$ 497.00		
Total							\$ 20,603.53		

GSN Item #	Invoice Number	Purchase Date	Gemstone Type Topaz	Color	Gemstone Cut	Carat	Purchase Price	GSN Appraisals	Independent Appraisal
102-171009	695063-1	12/26/2009	diamond	cognac		1.09	\$ 3,000.00	\$12,050.00	
100-906409	680490-2	10/17/2009	diamond	champagne		1.27	\$ 2,850.00	\$8,350.00	
100-851509	680409-1	10/20/2009	emerald			2.31	\$ 11,000.00	\$30,000	
100-1080009	702820-1	2/3/2010	garnet	rhodolite		0.99	\$ 1,500.00		
		00/00/2010	garnet	mandarin		1.8	\$ 1,700.00		
320-1510	702351-1	1/31/2010	garnet	colorce		2.45	\$ 7,500.00	\$23,350.00	
102-10310	702351-1	1/31/2010	garnet	demantoid		0.7	\$ 2,500.00	\$7,050	
105-117910	702351-3	1/31/2010	garnet	mandarin		2.7	\$ 540.00		
			Mounting				\$ 2,150.00		
196-55910	701622-1	1/28/2010	opal	literidge		2.47	\$ 1,000.00		
100-74710	702820-1	2/3/2010	sapphire	blue		0.07	\$ 250.00		
100-1042809	682274-2	10/27/2009	ruby			1.48	\$ 3,750.00	\$10,350.00	
100-1206909	689829-1	12/2/2009	spinel	royalblue		3.6	\$ 4,000.00	\$10,050.00	
102-406808	689164-2	11/29/2009	tanzanite	dksupneon		2.54	\$ 3,125.00	\$12,100.00	
101-1609	680014-1	10/15/2009	tanzanite	dksupneon		10.65	\$ 18,000.00	\$41,050	
		00/00/2010	tourmaline	red		10.19	\$ 12,000.00	\$33,850.00	\$2,100.00
192-2087109	694886-1	12/24/2009	tourmaline	multi		2.1	\$ 455.00		
100-1022209	679187-3	10/10/2009	zircon	red		20.85	\$ 3,900.00	\$12,450	
102-575509	682150-1	10/26/2009	tourmaline	neonmint		11.44	\$ 7,900.00	\$22,750.00	\$1,700
100-389510	731495-2	12/1/2009	tourmaline	Copbearing		2.07	\$ 1,595.00		
100-389510	731495-2	6/21/2010	aquamarine			5	\$ 2,100.00		
			coral	sardinian			\$ 665.00		
196510510	731663-2	6/22/2010	topaz	londonblue		21.61	\$ 1,250.00		
TOTAL							\$ 92,730.00		

GSN Item #	Invoice Number	Purchase Date	Mix Gem	Color	Gemstone Cut	Carat	Purchase Price	GSN Appraisals	Independent Appraisal
105-803909	694529-1	12/22/2009	aquamarin		portrd	2.81	\$ 250.00		
196810	700556-2	2/9/2010	rhodochro	red	fantasy	3.07	\$ 5,700.00	\$15,350	\$614.00
196-267110	730645-1	6/17/2010	rhodochro	red		2.86	\$ 2,500.00		\$572.00
105-700909	681152-1	10/21/2009	alexandrit	brazilian	cushion	2.08	\$ 18,000.00	\$40,100.00	\$15,600.00
105-700809	681152-1	10/26/2009	tsavorite	green	round	6.12	\$ 38,250.00	\$74,800.00	\$33,660.00
105-822309	691255-1	12/10/2009	sphene		portround	7.68	\$ 3,107.85	\$9,200	
105-822409	691255-1	12/8/2009	sphene		portcush	5.87	\$ 2,342.15		
196-974009	681553-1	10/23/2009	zoisite	green	cushion	1.68	\$ 2,400.00		
196-974009	681553-1	10/23/2009	diamond	natural	oval	0.79	\$ 12,900.00	\$23,650.00	
219-4409	690530-1	12/5/2009	diamond	pink			\$ 15,000.00	\$39,250.00	
Total							\$ 100,450.00		

GSN Item #	Invoice Number	Purchase Date	Gemstone/Tanzanite	Gemstone Cut	Carat	Purchase Price	GSN Appraisals	Independent Appraisal
105-575105	686270-1	11/15/2009	Tanzanite	pear	13.01	\$7,800.00	\$25,400.00	
			2009 Tanzanite	cushion	5.32	\$3,000.00	\$13,300.00	
105-191106	690622-1	12/6/2009	Tanzanite	cushion	11.97	\$5,700	\$25,150.00	
		12/28/2009	Tanzanite	2 trillion	3.25	\$928.04		
105-871909	694529-1	12/22/2009	Tanzanite	cushion	8.19	\$5,500.00	\$20,450.00	\$5,324.00
		12/24/2008	Tanzanite	2 round	1.25	\$571.14		
Total						\$23,499.18		

GSN Item #	Invoice Number	Purchase Date	Madarin Type	Gemstone Cut	Carat	Purchase Price	GSN Appraisals	Independent Appraisal
105-747909	686270-1	11/15/2009	lgplastic	20 Rounds	.5+	\$500.00		
105-1283005	695708-1	12/30/2009		pear	2.36	\$200.00		
105-9310	696884-1	1/4/2010		cushion	4.90	\$2,900		\$1,960.00
		1/27/2010		portoval	9.31	\$6,200.00	\$13,950	
		1/15/2010		oval	1.40	\$70.00		
105-5785003	698998-1	1/15/2010	matchpair	oval	2.8ctwt	\$140		
		00/00/2010		pear	2.13	\$300		
		00/00/2010		trillion	4.16	\$3,100	\$7,850.00	
105-81310	700556-1	1/22/2010		pear	4.22	\$2,500		\$2,426.00
105-81410	700556-1	1/22/2010		heart	4.08	\$2,400.00		\$2,346.00
105-81710	700566-1	1/31/2010		pear	4.00	\$3,500.00		\$2,300.00
105-118110	702351-1	1/31/2010		round	2.58	\$516.00		
105-118310	702351-1	1/31/2010		round	2.06	\$412.00		
105-118810	702351-1	1/31/2010		round	1.77	\$354.00		
105-118710	702351-1	1/31/2010		round	1.79	\$358.00		
105-440709	699862-1	1/19/2010		round	8.15	\$6,925.00	\$18,050.00	
105-646109	682279-1	10/27/2009		mixedoval	11.32	\$11,000	\$30,050.00	\$9,622.00
Total						\$41,375.00		

GSN Item #	Invoice Number	Purchase Date	Gemstone/Spinel Type	Gemstone Cut	Carat	Purchase Price	GSN Appraisals	Independent Appraisal
212-30110	715062-1	4/4/2010	Tanzanian	2 Round	2.49	\$1,100.00		
105-675409	679187-1	10/10/2009	Tanzanian	Oval	0.98	\$490.00		
105-46910	698777-1	1/14/2010	Tanzanian	Oval	1.45	\$725.00		
105-65610	699862-1	1/19/2010	Tanzanian	Portround	5.19	\$39,000.00	\$124,400	
105-16510	700097-1	1/20/2010	Tanz	Oval	1.02	\$1,500.00		
105-175310	705547-1	2/22/2010	Tanz	Oval	7.56	\$70,000.00	\$185,400	\$64,260.00
105-785009	700556-1	1/22/2010	Spinel	Round	1.26	\$1,500.00		
105-510309	680953-1	10/20/2009	Burma	Oval	1.40	\$300.00		
105-9010	696884-1	1/4/2010	Spinel	Oval	2.44	\$485.00		
196-49110	700556-1	1/22/2010	Spinel	Cushion	1.43	\$1,800.00		
105-890009	695754-1	2/4/2010	Spinel	Roval	4.58	\$5,500.00	\$14,050.00	\$4,580.00
105-869809	699862-1	1/19/2010	9 Natural	Oval	1.1 each	\$800.00		
196-531410	731663-1	6/22/2010	2 Stones	Oval	0.89	\$600.00		
TOTAL						\$123,800.00		

GSN Item #	Invoice Num	Purchase Date	Gemstone Type	Mix Gem	Gemstone Cut	Carat	Purchase Price	GSN Appraisals	Independent Appraisal
105-43710	698777-1	1/14/2010	Citrine		Oval	3.16	\$15.00		
105-44310	698777-1	1/14/2010	Citrine		Oval	4.70	\$23.00		
105-43510	698777-1	1/14/2010	Citrine		Oval	7.94	\$39.00		
105-43810	698777-1	1/14/2010	Citrine		Pear	13.50	\$67.00		
105-43910	698777-1	1/14/2010	Citrine		Oval	12.98	\$64.00		
105-44010	698777-1	1/14/2010	Citrine		Oval	15.54	\$77.00		
105-44110	698777-1	1/14/2010	Citrine		Oval	7.27	\$36.00		
105-44610	698777-1	1/14/2010	Citrine		Trillion	12.25	\$61.00		
105-46210	698777-1	1/14/2010	Citrine		Oval	14.40	\$72.00		
196-93007	707416-1	2/25/2010	7 Gemstone Miners Figurines at \$105.00 each				\$735.00		
Total							\$1,189.00		

GSN Item #	Purchase Date	Zircon	Color	Gemstone Cut	Carat	Purchase Price	GSN Appraisals	Independent Appraisal
105-819709	12/8/2009	ceylon	Yellow	oval	2.06	\$100.00		
105-819809	12/8/2009	ceylon	Fancy	round	2.78	\$125.00		
105-820309	12/8/2009	ceylon	Fancy	oval	4.2	\$210.00		
105-818309	12/8/2009	ceylon	Green	cushion	3.39	\$165.00		
105-819909	12/8/2009	ceylon	Fancy	cushion	7.22	\$350.00		
105-820809	12/8/2009		Dark Blue	rnd/roval	4.34	\$434.00		
105-51210	1/15/2010		Fancy	cushion	5.19	\$300.00		
105-69610	1/20/2010		Fancy	4 ovals	15.72	\$786.00		
105-858509	2/3/2010	natural	Yellow	oval	2.61	\$130.00		
196-50010	1/22/2010		Yellow	fantasy	4.65	\$697.00		\$395.00
105-119010	1/31/2010	natural	Green	Oval	4.21	\$1,260.00		
196-49610	1/22/2010		White	Round	2.37	\$350.00		\$177.00
105-119110	1/31/2010	natural	Green	Cushion	4.18			
105-1214110	2/1/2010		Dark Blue	Cushion	7.39	\$739.00		
Total						\$5,646.00		

GSN Item #	Invoice Number	Purchase Date	Garnet Type	Gemstone Cut	Carat	Purchase Price	GSN Appraisals	Independent Appraisal
105-864409	694080-1	12/20/2009	Demantoid	Round	0.68	\$1,000.00		
105-864509	694080-1	12/20/2009	Demantoid	Round	0.3	\$300.00		
105-509309	694080-1	12/20/2009	Demantoid	Cushion	0.84	\$1,260.00		
105-2010	696282-1	1/1/2010	Demantoid	2 Round	0.65	\$650.00		
105-604709	682017-1	10/26/2009	Hessonite	Portround	8.42	\$1,400.00		
105-700809	681152-1	10/21/2009	Tsavorite	Portround	6.12	\$38,250.00		\$33,660.00
		1/31/2010	Colorange	Oval	3.25	\$9,700.00	\$25,050.00	
		00/00/2010	Colorange	Cushion	1.35	\$4,100.00	\$8,150.00	
105-626609	686099-1	11/14/2009	Colorange	Oval	4.28	\$10,700.00	\$33,050.00	
196-974109		00/00/2010	Colororange	Oval	2.48	\$5,100.00	\$11,165.00	
302-6109	703385-1	2/5/2010	Colorange	mixcush	4.02	\$9,500.00	\$50,250.00	
TOTAL						\$81,960.00		

EXHIBIT B

DAMAGE CALCULATION

Business Expense/Cost	Amount	Status
First Data Merchant Services	\$3,682.56	Unpaid
Jewelry Supply Company	\$516.76	Unpaid
Education, tools, books, display cases	\$13,370.89	Unpaid
Shipping	\$1,650.00	Unpaid
Inventory	Amount	Status
2009 Inventory – Purchased from GEM Shopping Network	\$349,416.71	Unpaid
2010 Inventory – Purchased from GEM Shopping Network	\$271,954.00	Unpaid
Total Damage Calculation	Amount	Status
	\$640,590.92	Unpaid

EXHIBIT C

PRECISION GEM LAB, INC.

175 West Wieuca Road Atlanta, GA 30342 (404)531-0750

October 22, 2009

REPORT #**681152 102945**

We submit to you the below mentioned item examined and evaluated for insurance retail replacement value new.

One unmounted Tavorite Garnet of the following description:

Shape: round shape Portuguese faceted
Measurements: 9.65mm by 9.67mm by 8.17mm
Weight: 6.12cts
Clarity: FI (free of eye visible inclusions) Type II
Color: medium dark strong slightly yellowish green
Symmetry: very good
Polish: very good
Brilliance: very good/excellent 80% - 90%



value \$74,800.00


George Houghtaling II, GG
Graduate Gemologist (GIA)

EXHIBIT D

PRECISION GEM LAB, INC.

175 West Wieuca Road Atlanta, GA 30342 (404)531-0750

October 22, 2009

REPORT #**409283 21269**

We submit to you the below mentioned item examined and evaluated for insurance retail replacement value new.

One unmounted Chrysoberyl Alexandrite of the following description:

Shape: cushion shape faceted
Measurements: 8.34mm by 6.70mm by 4.04mm
Weight: 2.08cts
Clarity: LI (lightly included) Type II
Color: dark strong ~~Purple~~ (incandescent)
dark strong ~~Blue~~ (day light)
Symmetry: very good
Polish: very good
Brilliance: good 40%
Color Change: excellent



value \$40,100.00

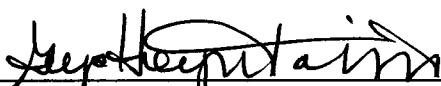

George Houghtaling II, GG
Graduate Gemologist (GIA)

EXHIBIT E

PRECISION GEM LAB, INC.

175 West Wieuca Road Atlanta, GA 30342 (404)531-0750

December 20, 2009

REPORT #**694529 107463**

We submit to you the below mentioned item examined and evaluated for insurance retail replacement value new.

One unmounted Zoisite Tanzanite of the following description:

Shape: cushion shape faceted
Measurements: 12.40mm by 10.43mm by 7.83mm
Weight: 8.19cts
Clarity: FI (free of eye visible inclusions) Type I
Color: medium dark/ark strong violetish Blue
Symmetry: very good
Polish: very good
Brilliance: good 70%



value \$20,450.00

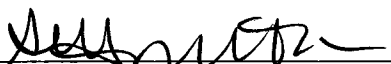

George Houghtaling II, GG
Graduate Gemologist (GIA)

EXHIBIT F

World Gem Resources, Ltd.

5021 Vernon Ave S., Suite 123
Minneapolis, MN 55436

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Phone: 952-944-9443

Fax: 952-944-8155

E-mail: gems@worldgem.com

**Gem #3: Identity conclusion - Tsavorite (Tradename)
mineral - green grossular garnet**

Weight: 6.12 carats

Measurements: 9.6-9.7mm round x 8.1mm depth

Shape: Round

Cut: Mixed (Brilliant crown and Modified "Portuguese" pavilion)

Proportions - Good to Fair

Finish - Good

Color: Hue - yellowish green in daylight, very slightly yellowish green in incandescent light

Tone - medium dark (about 75 on the tonal scale of 0 - 100)

Saturation - very good (low gray modifier)

Clarity: LI1 (very lightly included)

Brilliancy: 80%

Extinction: 15%

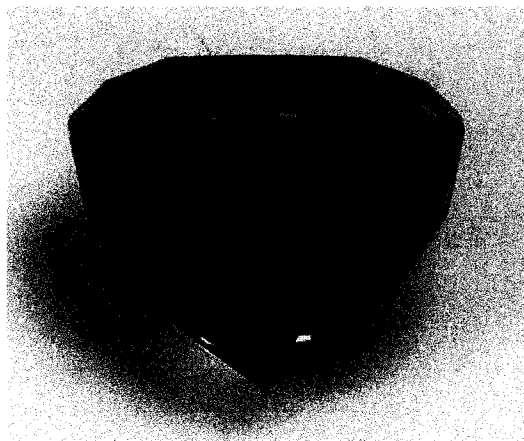
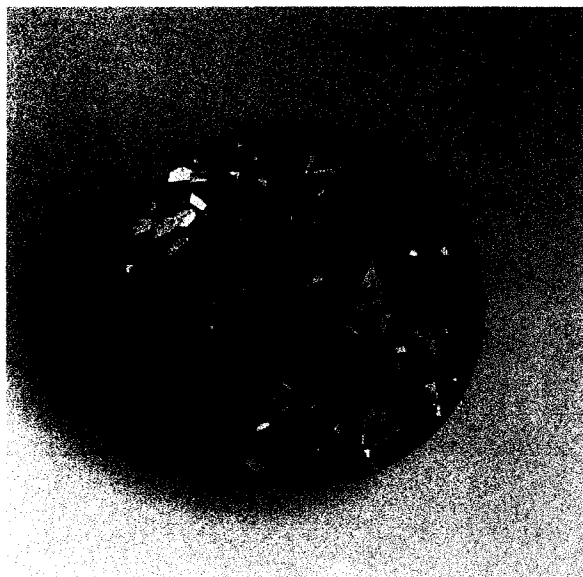
Transparency: transparent

Enhancements: no indications of enhancements

Fluorescence: inert to both long and short wave U.V.

Geographic Origin: Kenya / Tanzania area

Comments: This stone has excellent color and low extinction which is good and is unusual for tsavorite. It does have about a 30% bulge factor on the pavilion which retains a higher weight yield for the finished piece. It has a diameter consistent with a fine cut stone that would weigh about 4.75 carats and this factors somewhat into the evaluation.



William D. Konst, Jr.

World Gem Resources, Ltd.

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Gem #3: 6.12ct Tsavorite continued

Here are some comparables for this subject gem.

Jewelry Television is offering a 5.73 carat pear shape tsavorite for \$6,600 or \$1,152 per carat. This stone is no where near the quality of the subject stone.

Swala Gem Traders, an internet marketer, is offering a 6.04 carat oval tsavorite measuring 11.9 x 10 x 7mm described as "Top of the crop tsavorite. This gem is part of a parcel of top colored tsavorites. The hue is pure green, not too dark, not too light. Perfect! Tsavorites from this parcel all are highly recommended. 100% clean. Would put a top emerald to shame. This is a world class piece". They are offering this gem for \$18,120 or \$3,000 per carat.

Lapigems is an internet marketer and they offer an "exceptional", 3.04 carat emerald cut tsavorite for \$7,600 or \$2,500 per carat.

Africagems.com is offering a 3.16 carat round tsavorite measuring 8.63 x 6.06mm for \$6,518 or \$2,063 per carat. This stone is smaller and no where near the quality of the subject.

Looking in another direction, a well known gem dealer in CA has a fine 3.53 carat round tsavorite that has a larger diameter then the subject stone but it has quite a bit more extinction than the subject stone. That dealers asking price is \$2,400 per carat and a jeweler would add a markup on to that.

My value conclusion of the most representative dollar value for the subject stone as of October 2009, taking into account about a 20% premium for a round verus an oval or cushion shape and the smaller diameter for the weight, is \$5,500 per carat or \$33,660 total.

Page 1 is an integral part of this report

Notes:

Identity conclusion based on examination / testing with standard gemological equipment including microscope, refractometer, long and short wave ultraviolet source

Measurements were taken with a Leveridge gauge with accuracy +/- 0.1mm.

Clarity viewed: 10x binocular microscope with dark field illumination

Color viewed: Daylight illumination - 5500K with 94 color rendering index

Incandescent illumination: 3000K

End of report for Gem #3

William D. Konst. Co.

EXHIBIT G

World Gem Resources, Ltd.

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E-mail: gems@worldgem.com

Gem #5: Identity conclusion - Alexandrite
Mineral - chrysoberyl with color change

Weight: 2.08 carats

Measurements: 8.4 x 6.7 x 4.1mm

Shape: Cushion

Cut: Mixed

Proportions - Good

Finish - Good

Color: Hue - greenish blue in daylight, pinkish purple in incandescent light

Tone - dark (85+ on the tonal scale of 0 - 100)

Saturation - good (moderate gray modifier)

Clarity: FI-LI1 (free of inclusions to very lightly included)

Brilliance: 40%

Extinction: about 60%

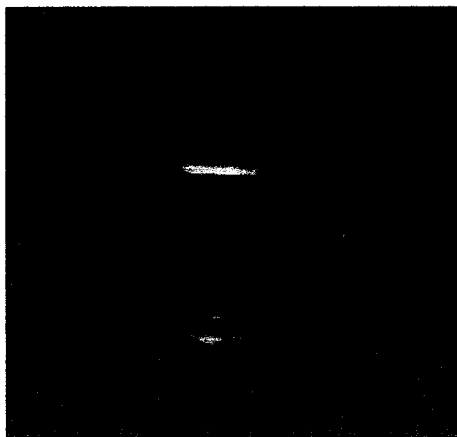
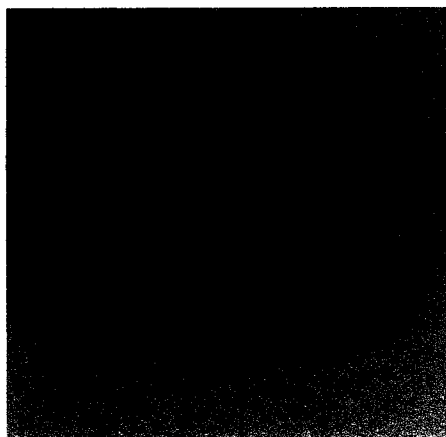
Transparency: transparent

Enhancements: no indications of enhancements

Fluorescence: inert to both long and short wave U.V.

Geographic Origin: unknown but appearance is consistent with some Brazilian material

The greenish blue in daylight is over dark and combined with the extinction the daylight color is not that appealing. The degree of change is virtually 100% and the pinkish purple is rather pleasing but with the higher extinction the color the eye sees is limited.



William D. Kostick

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Gem #5: 2.08 carat Alexandrite continued

Africagems.com, an internet marketer, offers a 1.80 carat oval alexandrite for \$14,985 or \$8,325 per carat. It is described as "In Daylight, this Genuine Alexandrite Gemstone Displays a Vibrant Medium Bluish Green Color. In an Incandescent Light Source, this Alexandrite Gem Displays A Pretty Vivid Purplish Pink Color". This is below 2 carats but is better in color than the subject stone.

One gem dealer is offering a fine 2.84 carat emerald-cut alexandrite for \$7500 per carat. It is described as "Clean, well cut certified GIA excellent color change Greenish blue to purple red Color change". Here is the image as shown on the GIA report. The GIA report states "Greenish Blue changing to Violet". This 2.84 carat alexandrite is superior to the subject stone.



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Another gem dealer has a 2.34 carat oval alexandrite for \$5,600 per carat. It is described as a beautiful dark blue-green changing to a raspberry red, 99% color change, clean, AGTA lab report".

My value conclusion of the most representative dollar value for the subject stone as of January 2010, factoring in the 2+ carat size, the fine clarity but also the over darkness and high extinction of the stone, is \$7,500 per carat or \$15,600 total.

Page 1 is an integral part of this report

Notes:

Identity conclusion based on examination / testing with standard gemological equipment including microscope, refractometer, long and short wave ultraviolet source

Measurements were taken with a Leveridge gauge with accuracy +/- 0.1mm.

Clarity viewed: 10x binocular microscope with dark field illumination

Color viewed: Daylight illumination - 5500K with 94 color rendering index

Incandescent illumination: 3000K

End of report for Gem #5

William D. Korst, Jr.

EXHIBIT H

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**Gem #1: Identity conclusion - Tanzanite (tradename)
Mineral - Zoisite**

Weight: 8.19 carats

Measurements: 12.7 x 10.6 x 7.8mm

Shape: Cushion

Cut: Mixed

Proportions - Good

Finish - Good

Comment: pavilion angles are not optimum producing about a 35% window

Color: Hue - violetish blue in daylight, violet blue in incandescent light

Tone - medium dark to dark (about 80 to 82 on the tonal scale of 0 - 100)

Saturation - very good (low gray modifier)

Clarity: LI1 (very lightly included)

Several abrasions on pavilion facet junctions

Brilliancy: 65%

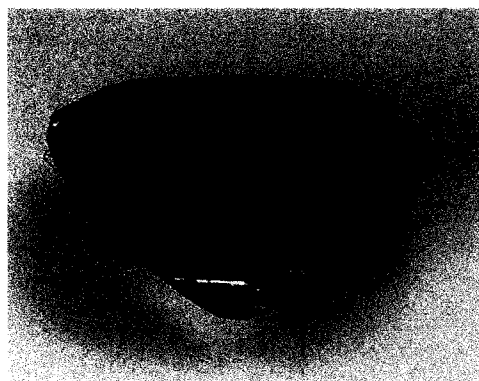
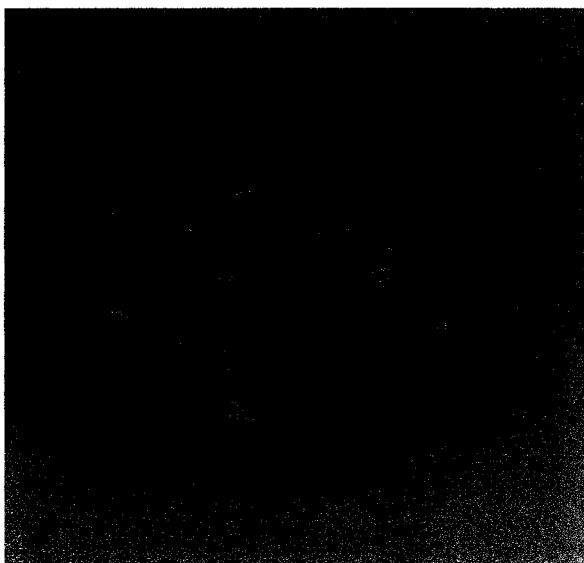
Extinction: about 35%

Transparency: transparent

Enhancements: tanzanite routinely is subject to thermal enhancement to change the brownish stone to a blue color. The values discussed here are for tanzanites that have been thermally enhanced.

Fluorescence: inert to both long and short wave U.V.

Geographic Origin: Tanzania



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Gem #1: 8.19ct Tanzanite continued

For tanzanite, there are many comparables available from television and internet marketers.

Jewelry Television or JTV, is a television and internet marketer. They have a large selection of tanzanites to act as comparables. From their vault collection they offer an 8.40 carat cushion shaped "gem quality" tanzanite measuring 13.5 x 11.5mm for \$6,578.21 or \$783 per carat. Many other tanzanites that they offer are not labeled "gem quality" and are available in the \$500 to \$600 per carat range for similar sizes to our subject.

Lapigems is an internet marketer and they offer an "exceptional", "outstanding AAA" 7.21 carat cushion shaped tanzanite for \$5,286.56 or \$733 per carat.

And as additional comparables, Swala Gem Traders, an internet marketer, offers a "very nice" 7.94ct cushion blue tanzanite for \$4,327 or \$545 per carat, and a 9.96 carat cushion blue tanzanite for \$6,474 or \$650 per carat.

My value conclusion of the most representative dollar value for the subject stone as of January 2010, taking into account the 35% windowing factor which is function of less than optimal cutting, is \$650 per carat or \$5,324 total.

Page 1 is an integral part of this report

Notes:

Identity conclusion based on examination / testing with standard gemological equipment including microscope, refractometer, long and short wave ultraviolet source

Measurements were taken with a Leveridge gauge with accuracy +/- 0.1mm.

Clarity viewed: 10x binocular microscope with dark field illumination

Color viewed: Daylight illumination - 5500K with 94 color rendering index

Incandescent illumination: 3000K

End of report for Gem #1

EXHIBIT I

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Gem #2: Identity conclusion - Pink Spinel

Weight: 7.56 carats

Measurements: 11.8 x 10.0 x 8.3mm

Shape: Oval

Cut: Mixed

Proportions - Good

Finish - Good

Color: Hue - Pink in daylight, slightly orangish pink in incandescent light

Tone - medium dark (about 65-70 on the tonal scale of 0 - 100)

Saturation - very good (low gray modifier)

Clarity: LI1 (very lightly included)

Culet area is abraded

Brilliancy: 90%

Extinction: 10%

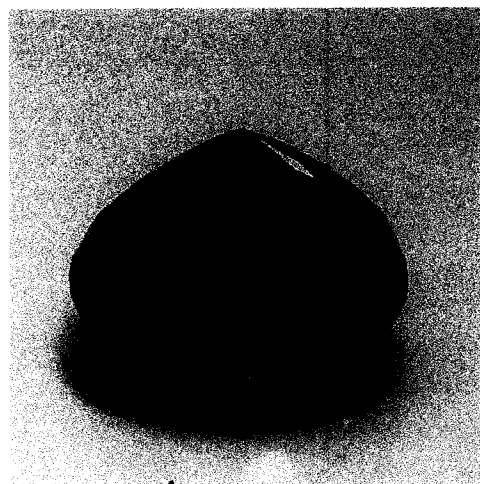
Transparency: transparent

Enhancements: no indications of enhancements

Fluorescence: inert to both long and short wave U.V.

Geographic Origin: appearance is consistent with material from Mahenge, Tanzania

Comments: The stone can be said to have a moderately strong neon appearance.



Wigyan D. Konst.

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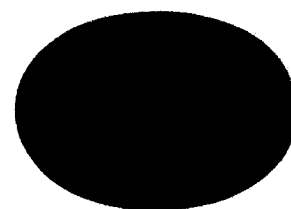
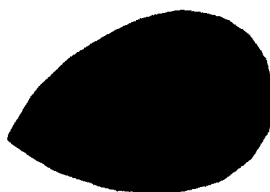
Phone: 952-944-9443

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Gem #2: 7.56 carat Pink Spinel continued

Jewelry Television provides this comparable: They are offering a 7.50 carat oval Tanzanian spinel measuring 13.9 x 10.9 x 6.8mm and is described as VVS clarity. This stone is being offered from their Vault collection for \$22,515 or \$3,002 per carat. Here is an image of that stone (below left). This stone is of lesser quality than the subject stone.



Another comparable is from Swala Gem Trader, an internet marketer. They offer an 8.33 carat pear shape Tanzanian spinel described as "Amazing gem. This stone is from a parcel which is possibly one of the nicest ever found in Tanzania. The gems are of a beautiful red/pink hue. Highly recommended". They offer this spinel for \$41,650 or \$5,000 per carat. Here is an image of this stone (above center).

Multicolour.com, an internet marketer of gems, is offering a 17.60 carat oval fine spinel from Tanzania described as a medium dark slightly purplish red and they say this stone is one of the last ones from the huge crystal that was discovered in Tanzania some two years ago. They are asking \$90,112 or \$5,120 per carat. See image above far right.

A New York gem dealer has in stock very fine neon pink spinels in 5 carat sizes. He is asking \$5,000 per carat for these goods.

My value conclusion of the most representative dollar value for the subject stone as of February 2010, is \$8,500 per carat or \$64,260 total.

Page 1 is an integral part of this report

Notes:

Identity conclusion based on examination / testing with standard gemological equipment including microscope, refractometer, long and short wave ultraviolet source

Measurements were taken with a Leveridge gauge with accuracy +/- 0.1mm.

Clarity viewed: 10x binocular microscope with dark field illumination

Color viewed: Daylight illumination - 5500K with 94 color rendering index

Incandescent illumination: 3000K

William D. Korst, Jr.

End of report for Gem #2

EXHIBIT J

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Gem #6: Identity conclusion - Spinel

Weight: 4.58 carats

Measurements: 9.8 x 9.2 x 6.7mm

Shape: Oval

Cut: Mixed

Proportions - Good

Finish - Good

Pavilion angles are not optimal and results in about a 10% window

Color: Hue - pink in daylight, slightly orangish pink in incandescent light

Tone - medium (about 55-60 on the tonal scale of 0 - 100)

Saturation - moderate (moderate gray modifier)

Clarity: LI2 lightly included)

Several abrasions on crown facet junctions and a number of abrasions on pavilion facet junctions

Brilliancy: 70%

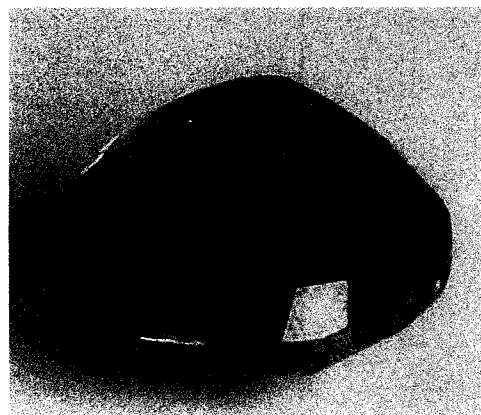
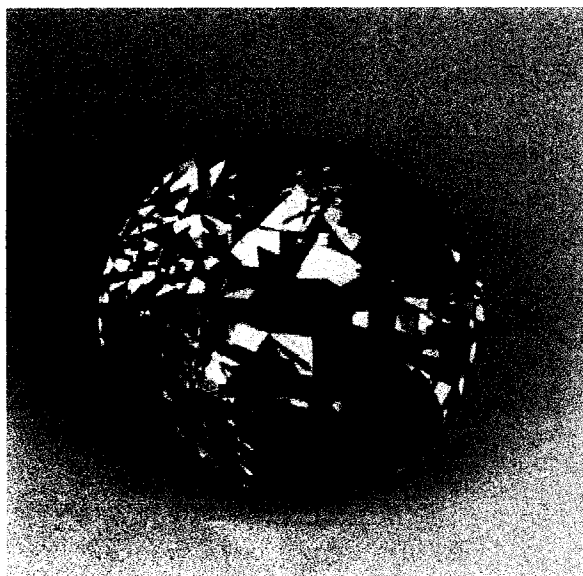
Extinction: 20%

Transparency: transparent

Enhancements: no indications of enhancements

Fluorescence: inert to both long and short wave U.V.

Geographic Origin: unknown



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Gem #6: 4.58ct Pink Spinel continued

Swala Gem Traders offers a very good 6.90 carat cushion shape pinkish red Tanzanian spinel that they describe as "a wonderful gem" for \$13,800 or \$2,000 per carat. This is substantially better than the subject stone.

A fine gem dealer has a "hot pink" 5.06 carat Burma spinel that they are offering for \$1,800 per carat. Here is an image (below left) of that stone along side the subject stone. The 5.06ct is a much stronger color than the subject stone.



Another gem dealer has a fine pink Tanzanian spinel that weighs 3.33 carats and here is an image of that along side the subject stone (above right). The 3.33ct is being offered for \$750 per carat and is a much better color than the subject stone.

My value conclusion of the most representative dollar value for the subject stone as of December 2009, is \$1,000 per carat or \$4,580 total.

Page 1 is an integral part of this report

Notes:

Identity conclusion based on examination / testing with standard gemological equipment including microscope, refractometer, long and short wave ultraviolet source

Measurements were taken with a Leveridge gauge with accuracy +/- 0.1mm.

Clarity viewed: 10x binocular microscope with dark field illumination

Color viewed: Daylight illumination - 5500K with 94 color rendering index

Incandescent illumination: 3000K

End of report for Gem #6

William D. Konstite

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Gem #4: Identity conclusion - Tourmaline
African "Paraiba Tourmaline" in the trade

Weight: 3.89 carats

Measurements: 10.6 x 8.6 x 6.3mm

Shape: Oval

Cut: Mixed

Proportions - Good

Finish - Good

Comment: Pavilion angles are not optimum resulting in about a 25% window

Color: Hue - green blue in daylight, green blue in incandescent light

Tone - medium (about 55-60 on the tonal scale of 0 - 100)

Saturation - good (moderate gray modifier)

Clarity: LI2 to MI1 (lightly to moderately included)

Brilliancy: 70%

Extinction: 10%

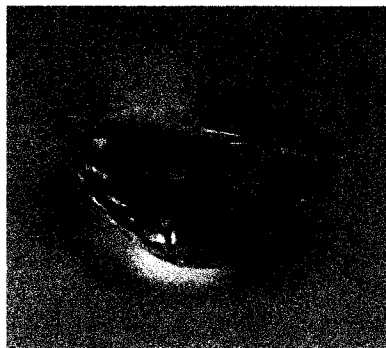
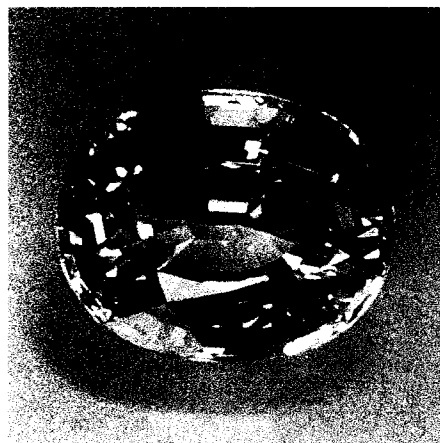
Transparency: transparent

Fluorescence: inert to both long and short wave U.V.

Geographic Origin: appearance is consistent with African tourmaline

This stone was submitted to the Gemological Institute of America (GIA) laboratory and their tourmaline report #2121449356 states under treatment "Indications of clarity enhancement". A phone call to their office addressed this remark and they stated they detected an oil or polymer filler, a similar clarity enhancement to what emerald is routinely subjected. This appraiser has determined that this clarity enhancement is minimal in this stone. Also under treatment, this lab says "No indications of heating". Under comments in this lab's report they state "This copper and manganese bearing tourmaline may be called "paraiba tourmaline" in the trade. The name "paraiba" comes from the Brazilian locality where this gem was first mined, however today it may come from several localities."

Paraiba tourmaline is know for its neon appearance. In this particular stone the neon effect is not strong and could be described as faint to moderate.



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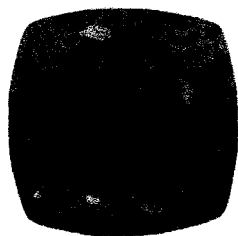
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Gem #4: 3.89 carat Paraiba Tourmaline continued

Jewelry Television has a 2.75ct Oval Paraiba Tourmaline, heated, for \$5,000 or \$1,818 per carat. The subject stone is better than this one.

Swala Gem Traders, an internet marketer, offered a fine 6.14 carat Cuprian Tourmaline. They describe it as "This single stone comes from Mozambique. An absolutely wonderful gem. Natural. Hard to believe that nature produces such colours. Tone and saturation are perfect. The gem is clean. Beautiful. Highly recommended. Expensive altogether but nicely priced". They offered this stone for \$18,420 or \$3,000 per carat. Here is their photo of that stone. This is a more valuable stone than the subject stone.



Upper right is the subject stone photographed along side a 4.36ct African Paraiba Tourmaline. The 4.36ct is quite a bit stronger than the subject stone and is being offered from a dealers inventory at \$2500 per carat.

My value conclusion of the most representative dollar value for the subject stone as of February 2010, is \$2,500 per carat or \$9,725 total.

Page 1 is an integral part of this report

Notes:

Identity conclusion based on examination / testing with standard gemological equipment including microscope, refractometer, long and short wave ultraviolet source

Measurements were taken with a Leveridge gauge with accuracy +/- 0.1mm.

Clarity viewed: 10x binocular microscope with dark field illumination

Color viewed: Daylight illumination - 5500K with 94 color rendering index

Incandescent illumination: 3000K

End of report for Gem #4

William D. Korst, Jr.